

109TH CONGRESS  
1ST SESSION

# H. R. 4532

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax to encourage them to have their employees provide volunteer services that aid science, mathematics, and engineering education in grades K–12.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 14, 2005

Mr. CRAMER introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax to encourage them to have their employees provide volunteer services that aid science, mathematics, and engineering education in grades K–12.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Technology Education  
5       Incentive Act of 2005”.

1 **SEC. 2. EMPLOYER CREDIT FOR EMPLOYEE VOLUNTEER**  
 2 **SERVICES IN GRADES K-12.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-  
 4 chapter A of chapter 1 of the Internal Revenue Code of  
 5 1986 (relating to business related credits) is amended by  
 6 inserting after section 45I the following new section:

7 **“SEC. 45J. EMPLOYER CREDIT FOR EMPLOYEE VOLUNTEER**  
 8 **SERVICES IN GRADES K-12.**

9 “(a) IN GENERAL.—For purposes of section 38, the  
 10 volunteer education services credit determined under this  
 11 section for the taxable year is an amount equal to 20 per-  
 12 cent of the wages paid or incurred by the taxpayer during  
 13 the taxable year for qualified employee services.

14 “(b) MAXIMUM CREDIT PER EMPLOYEE.—The credit  
 15 determined under this section with respect to services per-  
 16 formed by an employee during the taxable year shall not  
 17 exceed \$1,000.

18 “(c) DEFINITIONS.—For purposes of this section—

19 “(1) QUALIFIED EMPLOYEE SERVICES.—The  
 20 term ‘qualified employee services’ means any service  
 21 furnished by an employee of the taxpayer if—

22 “(A) the services are performed at a quali-  
 23 fied K-12 school,

24 “(B) the services are related to science,  
 25 mathematics, or engineering education at any  
 26 of the grades K-12 at a qualified K-12 school,

1           “(C) the employee receives no additional  
2           compensation for performing such services and  
3           the employer receives no compensation for such  
4           services, and

5           “(D) the services are determined by the  
6           qualified K–12 school to be valuable to the  
7           school in providing education in any of the  
8           grades K–12 in the areas of science, mathe-  
9           matics, or engineering.

10          “(2) QUALIFIED K–12 SCHOOL.—The term  
11          ‘qualified K–12 school’ means any school located in  
12          the United States which provides education in any  
13          of the grades K–12 and which meets the require-  
14          ments of State law for providing such education.

15          “(3) WAGES.—The term ‘wages’ has the mean-  
16          ing given to such term by section 51(c).

17          “(d) CONTROLLED GROUPS.—Rules similar to the  
18          rules of section 1397(b) shall apply for purposes of this  
19          section.”.

20          (b) DENIAL OF DOUBLE BENEFIT.—Subsection (a)  
21          of section 280C of such Code is amended by inserting  
22          “45J(a),” after “45A(a),”.

23          (c) CREDIT MADE PART OF GENERAL BUSINESS  
24          CREDIT.—

1           (1) IN GENERAL.—Subsection (b) of section 38  
 2           of such Code (relating to current year business cred-  
 3           it) is amended by striking “plus” at the end of para-  
 4           graph (18), by striking the period at the end of  
 5           paragraph (19) and inserting “, plus”, and by add-  
 6           ing at the end thereof the following new paragraph:

7           “(20) volunteer education services credit deter-  
 8           mined under section 45J(a).”.

9           (2) DEDUCTION FOR CERTAIN UNUSED BUSI-  
 10          NESS CREDITS.—Subsection (c) of section 196 of  
 11          such Code is amended by striking “and” at the end  
 12          of paragraph (9), by striking the period at the end  
 13          of paragraph (11) and inserting “, and”, and by  
 14          adding after paragraph (12) the following new para-  
 15          graph:

16          “(13) the volunteer education services credit de-  
 17          termined under section 45J(a).”.

18          (d) CLERICAL AMENDMENT.—The table of sections  
 19          for subpart D of part IV of subchapter A of chapter 1  
 20          of such Code is amended by inserting after the item relat-  
 21          ing to section 45I the following new item:

“Sec. 45J. Employer credit for employee volunteer services in grades K–12.”.

22          (e) EFFECTIVE DATE.—The amendments made by  
 23          this section shall apply to taxable years beginning after  
 24          the date of the enactment of this Act.

1       (f) STUDY.—The Secretary of Education and the  
2 Secretary of the Treasury shall jointly conduct a study  
3 of the effect of the credit under section 45J of the Internal  
4 Revenue Code of 1986, as added by this Act, on the pro-  
5 viding of volunteer services to which such credit applies.  
6 The results of such study, together with any recommenda-  
7 tions for improving the effectiveness of such credit, shall  
8 be submitted to the Congress not later than the date which  
9 is 2 years after the date of the enactment of this Act.

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